Business Processes Guidebook

Module 4

Assessment and Feedback

MODULE 4: ASSESSMENT AND FEEDBACK
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INTRODUCTION

Module Overview

The purpose of Module 4 is to present an overview of the Defense Contract Management Command's (DCMC's) Assessment and Feedback processes. The module focuses on the interrelationships among the processes and the overall integration into the Integrated Management System (IMS). Specifically, it covers:

- Management Controls,

- Management Responsibilities,

- Internal Assessment and Feedback Tools,

- External Assessment and Feedback Tools, and

- Continuous Improvement Events.

DCMC has several Assessment and Feedback tools that play a role throughout the organization. The Management Control and Assessment Program (MCAP) is the centerpiece that defines DCMC's process for assuring mission performance, proper use of resources, decision making based on reliable information, and organizational improvement. The primary purpose of assessment is to encourage continuous improvement.

IMS Processes

DCMC's IMS includes the following key processes: Planning, Resourcing and Budgeting, and Assessment and Feedback. In the overall context of the IMS, our Assessment and Feedback processes allow us to assess the current state of organizational plans, programs, and processes against a desired state and to use this information to continually improve. Exhibit 4.1 illustrates how Assessment and Feedback fit into the IMS cycle.
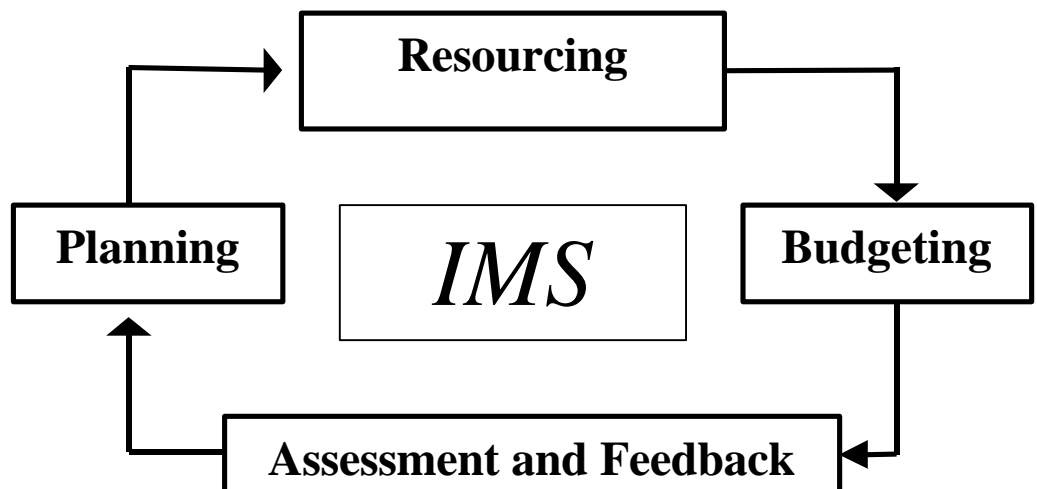

Exhibit 4.1 Integrated Management System Cycle

The Role of Assessment and Feedback

The role of assessment and feedback in any organization is to look at the health of operations, evaluate the adequacy of organizational practices, identify opportunities for improvements, and provide a mechanism for reporting these opportunities to the appropriate organization for follow-up action. Assessment is the "check" element of the "plan-do-check-act" standard quality improvement cycle. Assessment results, or feedback, support the "act" element of the cycle and flow into the "plan" element.

This cycle aligns processes with goals. It involves utilizing feedback to develop a performance improvement plan, accomplishing tasks contained in the plan, checking (*assessing*) to see if the actions taken fulfill the goals set, determining the gaps between goals and performance, and feeding the gaps into the plan for the next iteration of improvement. Another way to facilitate the process is to compare to others and to "borrow" their concepts to accelerate the rate and quality of improvement.

The role of assessment is to:

- Provide management with a tool to check the temperature and health of the organization;

- Display an ongoing picture of the organization;

- Evaluate the overall organizational effectiveness;

- Understand and build upon a core set of values and concepts;

- Allow the organization to compare quality results in all disciplines;

- Allow the organization to "steal" ideas that work from other areas or organizations;

- Help the organization to develop and achieve quality improvement goals, both short and long term;

- Help the organization prioritize and target improvement opportunities; and

- Identify strengths and Areas for Improvement (AFIs) that help the organization to develop action plans to drive continuous improvement.

In addition, external feedback, such as Internal Operations Assessments (IOAs) and President's Quality Awards (PQAs), provide another pair of eyes to help "fine tune" the organization and validate the organization's understanding of where it is in the quality journey.

Assessment Tools and their Objectives

Although each of DCMC's assessment and feedback tools has a unique objective (process compliance, efficiency, quality, management effectiveness, mission accomplishment, resource protection, or professional conduct), each provides feedback for better decision making and process improvement.

Primary Assessment Tools	Unique Objective
Internal Assessment Sources	
Unit Self-Assessments (USAs)	Evaluation of Management System
Management Control Reviews (MCRs)	Process Management
Management Reviews (Mission/Financial/Special)	Tracking Methodology
Performance Based Assessment (PBA)	Contractor Performance Risk
Internal Customer System (ICS)	Human Resources
External to Contract Administration Office (CAO)	
Internal Operations Assessment (IOA)	Validation of Self-Assessment
President's Quality Award (PQA)	Validation of Self-Assessment

Self-Assessment Schedule

CAOs, Districts, and Headquarters Directors establish and maintain an annual self-assessment schedule for USAs and MCRs based on the risk assessment. Exhibit 4.2 depicts an overview of the self-assessment schedule. The schedule shows individual MCRs by subject and date, the USA schedule, and any other pertinent assessment events including external reviews such as an IOA or an Inspector General (IG) or General Accounting Office (GAO) review or audit. The status of the schedule is provided to the Districts and Headquarters DCMC annually with quarterly updates.
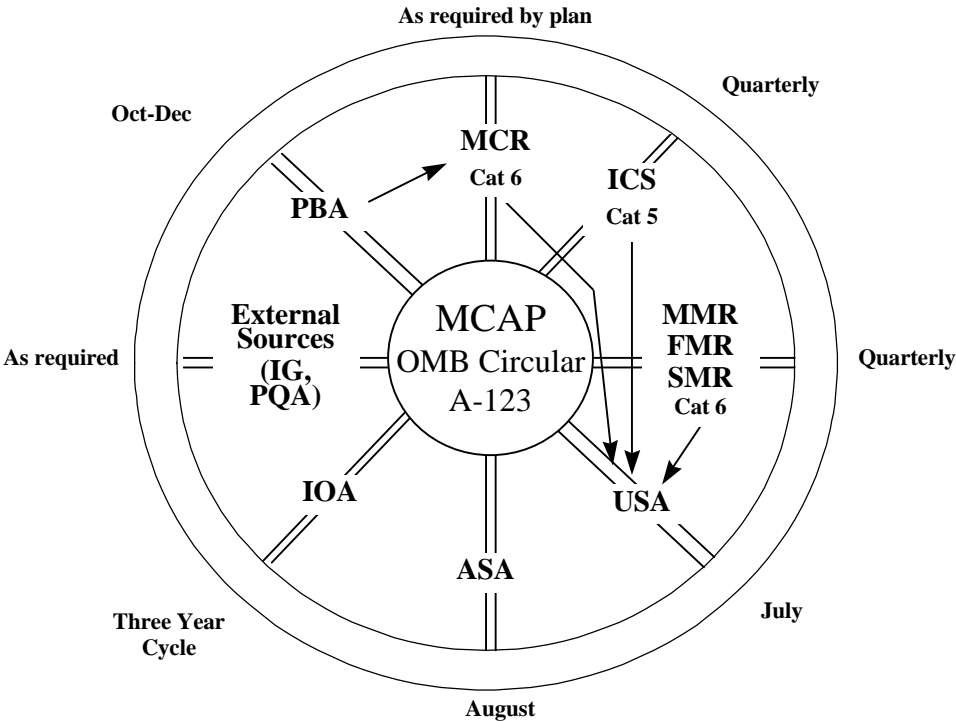
Exhibit 4.2 The DCMC Self-Assessment Cycle
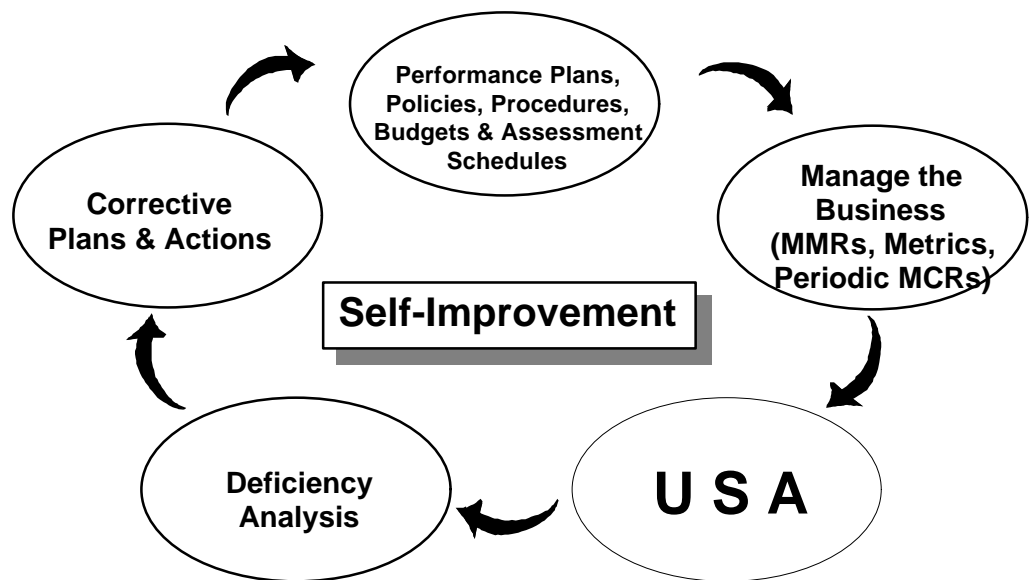
Exhibit 4.3 The DCMC Self-Improvement Cycle

Self-Improvement Cycle   DCMC's self-improvement cycle, shown above in Exhibit 4.3, is an adaptation of the standard "plan-do-check-act" cycle. It incorporates the vehicles used by DCMC to accomplish assessment and feedback. Through this process, using the MCAP as the hub, DCMC has integrated management, control, assessment, feedback, and quality improvement principles.

This system creates a participatory and continuous improvement atmosphere throughout the Command, while maintaining insistence on standardization where appropriate for specific outcomes and performance relative to our process stakeholder and customer requirements.

Assessment and Feedback Elements   The following flowchart (Exhibit 4.4) depicts the upper level interrelation of the major elements of assessment and feedback at all levels within DCMC. While the flowchart is presented in a linear fashion, an organization's annual cycle may have its own flow in terms of the timing of these events.

START

1 - PERFORM/REVIEW
RISK ASSESSMENT

Contract Administration Offices,
District Headquarters, and
DCMC Headquarters

2 - ESTABLISH /REVISE
MANAGEMENT CONTROLS

3 - ESTABLISH /REVISE
SELF-ASSESSMENT SCHEDULE

4 - CONDUCT MONTHLY
MANAGEMENT REVIEWS

5 - PERFORM MANAGEMENT
CONTROL REVIEWS

6 - PERFORM UNIT
SELF-ASSESSMENTS

PERFORM ICS MEASUREMENT
AND ANALYSIS

INPUT:
IOA SCHEDULE

INTERNAL OPERATIONS
ASSESSMENT INDICATED
OR SCHEDULED

Yes

Assessment
Center

7 - COORDINATE
AND PERFORM
INTERNAL OPERATIONS
ASSESSMENT

No

INPUT:
OTHER REVIEW
REQUIREMENTS

OTHER TYPES OF
ASSESSMENTS INDICATED
OR SCHEDULED

Yes

Assessment
Center or
District HQ

8 - COORDINATE AND PERFORM
CONTRACTOR ASSESSMENT OR
SPECIAL PROCESS REVIEW

No

9 - SUBMIT ASSESSMENT
IMPROVEMENT PLAN,
TAKE CORRECTIVE ACTIONS,
REVISE PERFORMANCE
PLAN/BUDGET
(As Required)

HQ DCMC

10 - APPROVE ASSESSMENT
IMPROVEMENT PLAN,
REVISED PERFORMANCE
PLAN/BUDGET

11 - SUBMIT QUARTERLY
ASSESSMENT ACTIVITY REPORTS

12 - PREPARE AND
SUBMIT COMMANDER'S
ANNUAL STATEMENT OF
ASSURANCE AND
REPORT OF MATERIAL
WEAKNESSES

* ASSESSMENT, REVIEW OF
MANAGEMENT CONTROLS AND
IMPROVEMENT OF
OPERATIONAL AND
MANAGEMENT
PROCESSES IS A
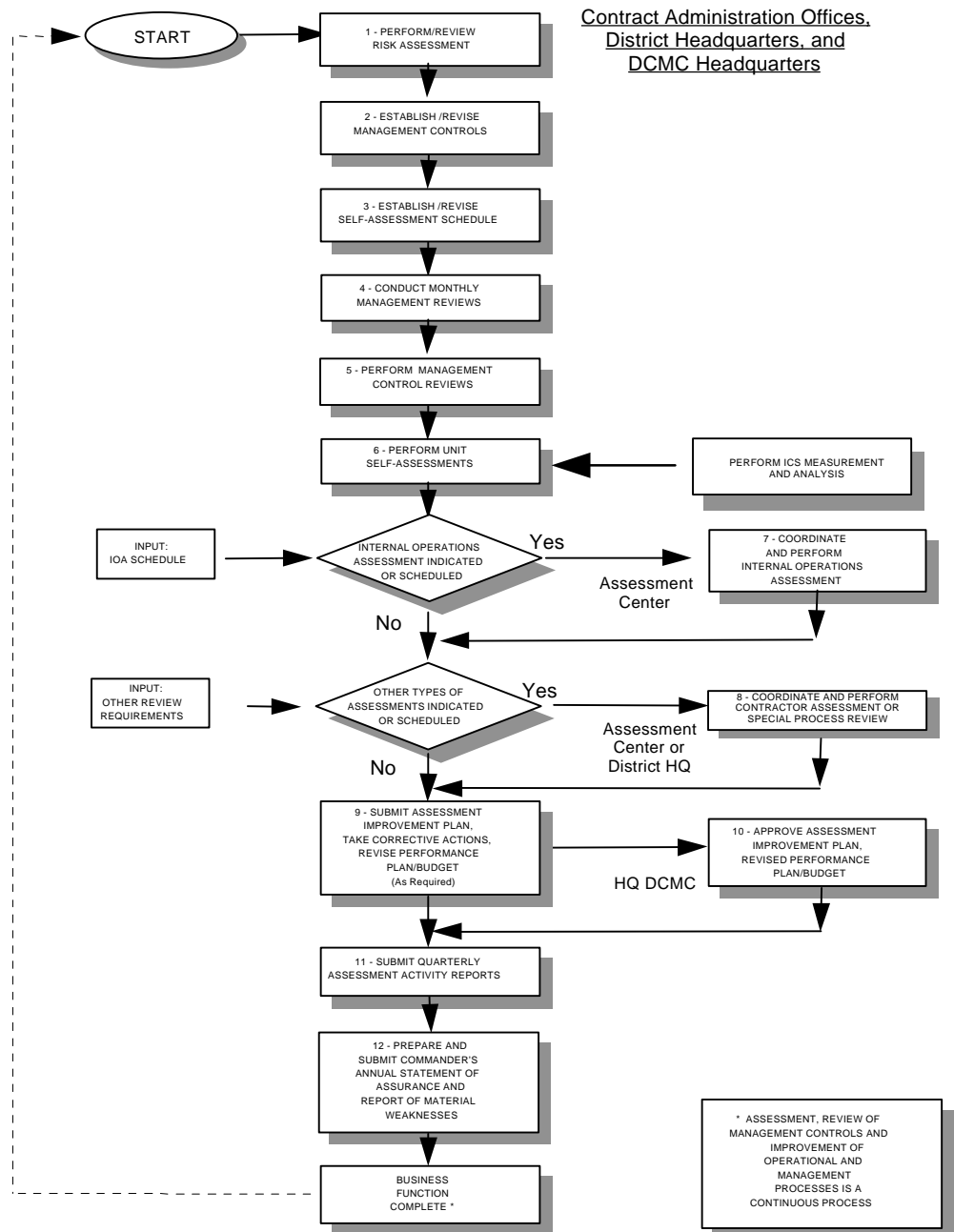CONTINUOUS PROCESS

BUSINESS
FUNCTION
COMPLETE *

Exhibit 4.4 Assessment and Feedback Flowchart

MANAGEMENT CONTROLS

Plans, organizational structure, policies, procedures, and resource allocations normally include characteristics that ensure program objectives are met and that a "check and balance" process is in place to correct problems as they occur. These control characteristics are called *management controls*. They include delegation of authority, separation of duties, oversight responsibility, and requirements for reporting results to higher organizational levels. Management controls ensure achievement of objectives, compliance with quality, product, and service standards, operational and financial efficiency, and personal integrity. Managers and supervisors at all levels are required to execute management controls established by higher levels and to institute management controls at their level when appropriate.

OMB Circular A-123

Management controls are defined by Office of Management and Budget (OMB) Circular A-123, with which all Federal agencies are required to comply. This circular defines management controls as the organization, policies, and procedures used to reasonably ensure that:

- Programs (organizations) achieve their intended (mission) results;

- Resources are used in a manner that is consistent with the mission;

- Programs and resources are protected from waste, fraud, and mismanagement;

- Laws and regulations are followed; and

- Reliable and timely information is obtained, maintained, reported, and used for decision making.

In executing MCAP to meet Federal requirements, DCMC:

- Provides self-assurance that the Command is providing contract administration services that meet regulatory and customer requirements;

- Facilitates continuous improvement of mission, management, and administrative processes and stakeholder and customer satisfaction; and

- Strengthens its capability for providing an accurate Annual Statement of Assurance (ASA) to the Defense Logistics Agency (DLA) Director and, ultimately, to the President and Congress.

One Book

DCMC's *One Book* (DLAD 5000.4), as supplemented by DCMC policy memorandums, is a set of policies and procedures for managing and conducting contract administration services. As such, the *One Book* establishes the primary policies, procedures, and management controls for CAO mission, management, and administrative processes. Contract administration processes and their inherent management controls focus on contract performance and protection of government resources. Other Department of Defense (DoD), DLA, and DCMC policies and procedures provide additional management controls.

MANAGEMENT RESPONSIBILITIES

The following policies delineate some of the responsibilities of managers, supervisors, Commanders, and Directors, regarding the MCAP.

Managers and Supervisors

Managers and supervisors at all levels shall comply with the DoD Management Control Program (MCP) and the DCMC MCAP established by the *One Book* (Chapter 6.4.1).

Managers and supervisors at all levels shall be responsible for and shall take timely and substantive action to assure:

- Quality and timely organizational performance,

- Increased productivity,

- Cost control,

- Mitigation of adverse aspects of operations,

- Achievement of intended mission results,

- Integrity, and

- Compliance with applicable laws and regulations.

In addition, managers and supervisors at all levels shall:

- Establish management controls (where existing management controls are not adequate or when needed for local implementation);

- Review performance information from all sources, including management controls;

- Assess whether or not management controls are adequate;

- Identify needed improvements;

- Take corresponding corrective action; and

- Review material weaknesses referred from subordinate levels and support or direct corrective actions as required.

CAO/District Commanders and Headquarters Directors

CAO Commanders, District Commanders, and Headquarters Directors shall provide an annual report on the effectiveness of management controls (the ASA and Report of Material Weaknesses). District statements and reports, with supporting CAO statements and reports, shall be provided to Headquarters DCMC by August 31st of each year.

Executive Team

The DCMC Headquarters Executive Team, comprised of the Deputy Commander and the Executive Directors, and chaired by the DCMC Commander, shall:

- Review Command-wide results and Command-wide material weaknesses identified through MCRs, USAs, the ICS, IOAs, and ASAs or any other source;

- Direct corrective actions as required; and

- Report material weaknesses that constitute Command material weaknesses or that require Agency attention to the DLA Director.

INTERNAL ASSESSMENT AND FEEDBACK TOOLS

Internal sources of information include USAs, ASAs, MCRs, management reviews, and the ICS.

Unit Self-Assessment (USA)

USAs are conducted by CAOs, the District Headquarters, and DCMC Headquarters to evaluate overall organizational effectiveness using the DLA Criteria for Performance Excellence (CPE). Self-assessment using the CPE provides a cross-functional perspective of the effectiveness of an overall organization. The resulting USA is completed annually. Organizations have the latitude to complete USAs as a single, discrete, annual event if they choose. They also have the option to work it incrementally or continuously throughout the year. However, completion of the USA must be timed so as to support the ASA. Commanders may assign the lead for USA coordination to any organizational entity. USAs produce summaries of organizational strengths and weaknesses by criteria category and item.

The USA is intended to be a concise description of an organization's processes and performance results. While narrative formats are most often used, other methods are acceptable. For instance, Mission Management Review (MMR) charts may be substituted for the Results category of the criteria, provided they include adequate measures and indicators based on the organization's business environment and Performance Plan.

The end product of the USA is a report-style document describing organizational processes as indicated by the CPE and identifying organizational strengths and weaknesses. The DCMC *Performance Improvement Criteria Supplement* provides DCMC oriented questions, examples, and standard or common practices to facilitate writing the USA. It should be noted that the DCMC *Criteria Supplement* is a minimum interpretation of the 1998 DLA CPE as it applies to the DCMC CAO environment.

USAs (and the resulting gap analysis) provide the organization with management system feedback for internal improvement through the Planning process. Ultimately, the purpose of the USA is to identify and improve weak areas (gaps) in an organization's management system. No formal process has been stipulated within DCMC for follow-up action based on the USA. However, most organizations do some form of "root cause" analysis or "gap" analysis of weak areas or duplicated efforts. Gaps should be prioritized. Any resulting improvement activities should be incorporated into the organization's Performance Plan. Activities are monitored with an appropriate management tracking system.

Software is available that facilitates gap analysis of the USA. Copies of the software (BaSE) were distributed to the CAOs. Upgrades can be obtained directly from the vendor.

Annual Statement of Assurance (ASA)

As the culmination of the MCAP process, the Commander prepares and submits the ASA and Report of Material Weaknesses. Each CAO and District Commander and each Director of a Headquarters staff element submits an ASA and associated disclosures. The ASA and the associated Report of Material Weaknesses is forwarded through the reporting chain to the DCMC Commander who provides an overall DCMC ASA to the DLA Director. District ASAs (with supporting CAO ASAs) are submitted to Headquarters DCMC by August 31st of each year. For further information see the *One Book* (Chapter 6.4.1).

Management Control Review (MCR)

Sufficient MCRs must be conducted to support the ASA. MCRs provide the CAO with process control feedback for internal improvement through the Performance Plan and USA. MCRs are a process management methodology and should be addressed in the USA under the Process Management category of the CPE.

Risk Assessment

The MCR begins with a risk assessment. The CAOs, Districts, and Headquarters Directors prioritize mission, management, and administrative processes based on the potential for noncompliance. The risk assessment lists and ranks the mission, management, and administrative processes critical to meeting DCMC/CAO objectives. Processes are determined to have high, medium, or low risk designations, as approved by the CAO Commander. The listing and ranking should also include remaining functions that, while not critical, could impact the CAO's ability to meet policy or performance objectives.

Controls

Managers and supervisors at all levels must establish cost-effective guidance, organization, policies, procedures, rules, or other organizational instructions sufficient to carry out mission and operational actions or objectives and to ensure that the intended results are achieved.

Command and senior management controls include:

- Planning and budgeting systems,

- Disciplinary authority,

- Internal review procedures,

- Policy and procedure approval authority, and

- Review of aggregate operational and financial information.

Middle management controls include:

- Separation of duties,

- Approval authority,

- Review boards,

- Performance metrics, and

- Personnel evaluations.

Traditional supervisory controls include:

- Review of work in progress,

- Review or sampling of products and services at their completion, and

- Comparison of work hours against standards.

For more information on MCRs, refer to the Management Control Review Criteria Guidebook.

Management Reviews   Management reviews are conducted at the Headquarters as well as at the District and CAO levels. They are the vehicle for tracking organizational performance, performance improvement, and resource management status. They assess DCMC operations for a specific month and trends for the current fiscal year to date. Each type of review is held quarterly at DCMC Headquarters. Despite this quarterly cycle, data may also be reviewed and analyzed at more frequent intervals depending upon the process risk, current performance, and the preference of the organization's senior leadership team.

This process consists of the following three types of reviews, each conducted on a quarterly basis:

1. Mission Management Reviews (MMRs)

2. Financial Management Reviews (FMRs)

3. Special Management Reviews (SMRs)

The Headquarters reviews are scheduled to coincide with the Resource Utilization Council (RUC) and the Executive Council (EC) meetings. The Districts compile data submitted by their CAOs, analyze the data, conduct a District review, and provide output to the Headquarters prior to the date of the Headquarters review. The Districts and CAOs for the most part monitor the same internal metrics that are assessed by Headquarters DCMC. The CAOs begin the review process and are responsible for providing data to the Districts prior to the District review. Exhibit 4.5 depicts the general process flow for the management reviews.
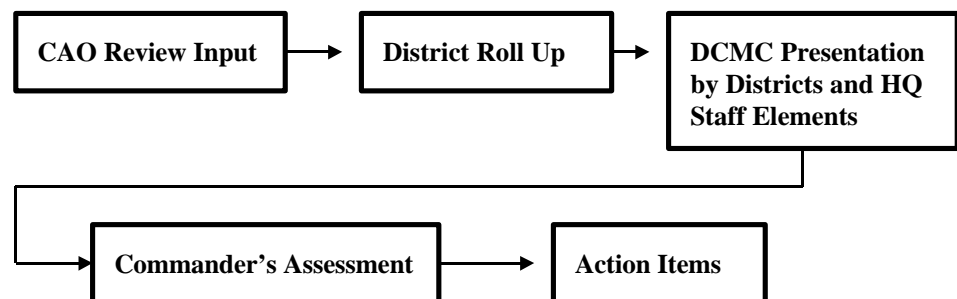
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┌──────────────────┐     ┌──────────────────┐     ┌──────────────────────┐
│ CAO Review Input │ ──> │ District Roll Up │ ──> │ DCMC Presentation    │
└──────────────────┘     └──────────────────┘     │ by Districts and HQ  │
                                                   │ Staff Elements       │
                                                   └──────────────────────┘
                                                              │
          ┌──────────────────────┐     ┌──────────────┐      │
          │ Commander's Assessment│ ──> │ Action Items │ <────┘
          └──────────────────────┘     └──────────────┘
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Exhibit 4.5 Management Review Process Flow

Included in the MMR The purpose of the MMR is to perform a review and analysis of the non-financial aspects of the DCMC Performance Plan. For the MMR, every non-financial task (Fiscal Year (FY) 98 Plan) or performance and investment goal (FY 99 Plan) in the Performance Plan is rated at the Command level, and most are rated at the District level, based on a projected goal or target completion.

The criteria for rating task or performance and investment goal accomplishment is contained in DCMC Policy Memorandum 97-65, Monthly Management Reviews (MMRs) - Rating Criteria Clarification. The Headquarters MMRs focus primarily on those tasks or performance and investment goals that are rated yellow or red indicating that the goal or target was not met as of the month being reviewed.

A summary of the color coding criteria for non-financial goals follows:

- **GREEN:**

    -Performance Goal - The target performance level for the specific month was met or exceeded. (The target performance level for any specific month is derived from the plan for improved performance from the start of the fiscal year to the planned completion date.)

    -Investment Goal - The target activity (for example, milestones in the implementation plan) for the specific month was accomplished or exceeded. (The target activities are derived from the investment goal project/task/milestone plan.)

- **YELLOW:**

    -Performance Goal - The target performance level for the specific month was not met but performance was within 10 percent of the target for the specific month.

    -Investment Goal - The target activity (for example, milestones in the implementation plan) to date was not met but performance was at least 90 percent complete.

- **RED:**

    -Performance Goal - The target performance level for the specific month was not met. Actual was more than 10 percent less than what was planned.

    -Investment Goal - The target activity (for example, milestones in the implementation plan) was not met. Actual was less than 90 percent of what was planned.

In addition, subjects designated as "special topics" are discussed at the MMR. There is also a section in the briefing that conveys "good news" items from each District. The status of the action items from the previous MMR is discussed, and the MMR is concluded with the Commander's assessment.

The most current MMR briefing charts are posted to the DCMC Home Page along with past months' MMR charts.

Included in the FMR   Quarterly FMRs are conducted at the DCMC Headquarters level in a forum that presents a somewhat in-depth review of all aspects of budget execution and unit cost across the Command. Full-Time Equivalent (FTE) execution is addressed down to the CAO level. Dollar execution is addressed primarily at the District level, but CAO status and problems that contribute to or explain the District status must be addressed. The overall intent of the FMR is to assure execution is progressing satisfactorily, and to identify developing or existing execution problems for discussion and resolution. The rating criteria as they apply to financial measures are also contained in DCMC Policy Memorandum 97-65.

A summary of the color coding criteria for financial goals follows:

- **GREEN:**

Actual total and direct obligation performance is <or=.5%(+/-) of the planned level for budget as of the current date. Actual reimbursable earnings are <or=.5%(-) of the planned level for the budget as of the current date. FTE execution performance is <or=.5%(-) of the planned level as of the current date.

AND

The annual budget and FTE plan will likely be met based on percent obligated to annual allocation.

- **YELLOW:**

Actual total and direct obligation performance is >.5% and <or=1.0%(+/-) of the planned level for budget as of the current date. Actual reimbursable earnings are >.5% and <or=1.0%(-) of the planned level for budget as of the current date. FTE execution performance is >.5% and <or=1.0%(-) of the planned level as of the current date.

AND

The annual budget and FTE plan will likely not be met based on percent obligated to annual allocation unless some change is implemented.

- **RED:**

Actual total and direct obligation performance is >1%(+/-) of the planned level for budget as of the current date. Actual reimbursable earnings are >1%(-) of the planned level for budget as of the current date. FTE execution performance is >1%(-) of the planned level as of the current date.

AND

The annual budget and FTE plan will likely not be met based on percent obligated to annual allocation.

OR

Monthly Obligation Plans (MOPs) or FTE Execution Plans have not been submitted or are unacceptable.

Included in the SMR SMRs are conducted to assess topics requiring special management attention and to review the status of the implementation plans that support the Performance Plan. Examples of topics that could be selected for presentation are:

- The Information Technology (IT) Implementation Plan and schedule,

- The Training Implementation Plan,

- The Customer Satisfaction Implementation Plan, and

- The Unit Cost Implementation Plan.

The three management reviews can be used for the Results category of the USA.

Internal Customer System (ICS) The ICS is DCMC's strategy for driving improved performance through creating a more enabling work environment.

Self-assessment through the ICS provides organizations with employees' observations and insights regarding the policies, processes, and procedures that impede their own performance, the performance of their team, and the performance of their organization.

All CAOs and Districts and DCMC Headquarters receive their own "unique" results and take action to institutionalize improvements. Organizations also use the ICS results in their USA. Additionally, DCMC "rolls up" the data to the District and Command-wide levels to identify systemic areas for improvement best resolved at those levels of the organization.

Actions

The ICS Multi-Year Plan consists of the following actions:

- FY 97: Listen and learn. Survey measurement, analyze results, and plan improvement actions.

- FY 98: Follow through! Implement improvement actions and create a more enabling work environment.

- FY 99: Follow through and re-measure. Did we improve? What must be improved next?

ICS Coordinators

A Command-wide baseline measurement was taken in 1997 and the next measurement is planned for 1999. A network of Internal Customer Coordinators was established. The Coordinators maintain the system through quarterly status reports to the Headquarters and aid the process at their organization.

Continuous Improvement

Given the nature of large institutions, organization change and improvement is generally a long-term and iterative process. Therefore, the ICS is based on a continuous improvement cycle. Through the ICS, DCMC is able to:

- **Collect data**: Collect the observations, insights, and perceptions of the workforce about the systems, processes, procedures, and policies that enable and disable high individual, team, and organizational performance.

- **Analyze the data**: Learn from insider insights. Compare how DCMC is doing with respect to a "high performance" organization. Identify the most critical areas for improvement (that is, those areas that are impeding high performance).

- **Plan for improvement**: Use this information to decide how to leverage scarce improvement resources against critical improvement targets.

- **Take action:** Share feedback with the workforce, jointly identify root causes of the AFIs (systems, processes, policies, procedures), and develop strategies to address them. Ensure improvement is institutionalized and becomes part of the every day functioning of the organization. Integrate the ICS results and improvement actions into the USA and Performance Plan.

- **Re-measure**: Determine "Did we improve?" and "What must be improved next?"

ICS Overview

DCMC Internal Customer System:
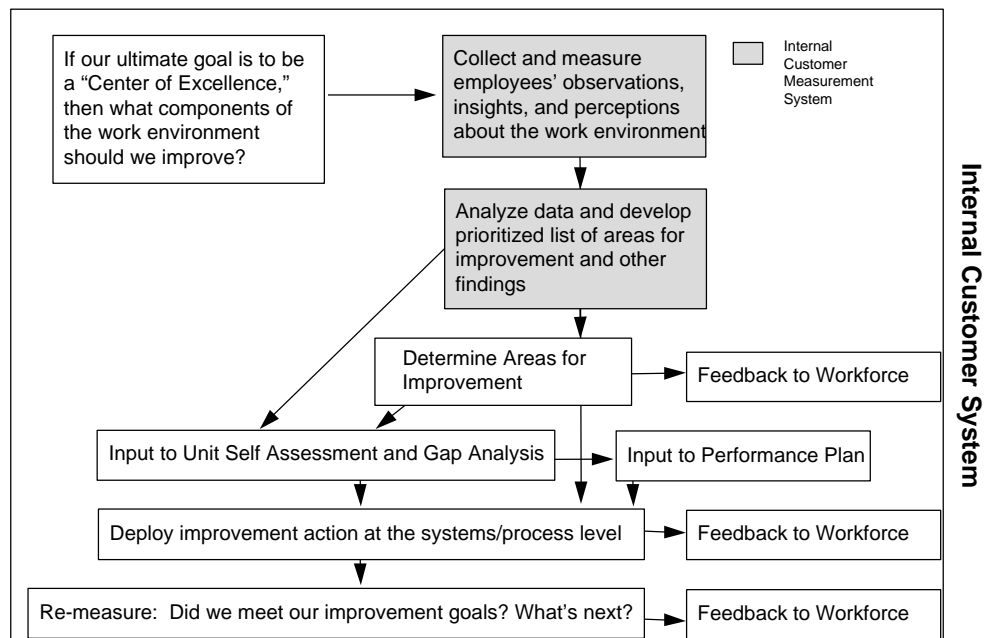### WHAT IT IS & HOW IT WORKS

Exhibit 4.6   ICS Overview

Exhibit 4.6 illustrates an overview of the ICS approach. This integrated approach is being used at every CAO and District and at DCMC Headquarters. This standardized approach also gives DCMC the ability to "roll up" the data to the District and Command-wide levels and address systemic issues that impact the majority of DCMC organizations.

The ICS is not a stand-alone system, but rather it interfaces and is integrated with DCMC's Assessment and Planning processes. A key result is that the workforce gets a voice in the Command's improvement, strategizing, and resourcing processes (that is, DCMC institutionalizes change based on workforce input and participation).

The CAOs, Districts, and Headquarters take appropriate action to remedy the AFIs identified from their unique site-specific results. Quarterly Progress Reports are sent to the Headquarters Program Manager. IOAs include validation of ICS activity.

Efforts in FY 1999   Efforts in FY 1999 are designed to:

- Support completion of improvement actions started in FY 97/98;

- Support deployment of Command-wide AFIs to all levels of the Command; and

- Conduct a Command-wide re-measurement in the fourth quarter of FY 99.

EXTERNAL ASSESSMENT AND FEEDBACK TOOLS

External sources of information such as PBA are used to maintain the right workload mix. Information such as IG and GAO reports, the PQA, audits, inspections, reviews, investigations, and hotline complaints provide indications of AFIs or problems with management controls.

Performance Based Assessment (PBA)

The main purpose of the PBA is to assess the level of risk of contractors for which CAOs have a Contract Administration Services (CAS) delegation. The PBA can be directly related to surveillance plans and Process Oriented Contract Administration Services (PROCAS) risk assessments in that the same basic criteria are used to evaluate critical contractor processes. The Performance Based Assessment Model (PBAM) is used to perform the PBA and is updated annually.

DCMC has adopted a consistent methodology for assessing and managing the overall risk presented to the government at a given contractor location. DCMC is using risk assessment as one of several tools for establishing CAO staffing levels. The application of *performance based management* and *tailored oversight* depends on the ability to assess risk on a regular basis.

As a mission performance assessment tool, the PBA augments the individual surveillance plans and is closely aligned to the Performance Labor Accounting System (PLAS). Upon completing the assessment process, each CAO will not only be able to rank order the inherent characteristics and contractor performance attributes in terms of surveillance level, but will also have more visibility into where resources are being expended. This will enhance overall mission effectiveness by optimizing the use of our personnel through proper risk management. A key aspect of the assessment process is risk mitigation. Part of preparing for the assessment involves taking an inventory of ongoing PROCAS activity. At the conclusion of the assessment, the CAO will have a better perspective on what contractor processes most warrant PROCAS involvement to enhance performance.

Results of the PBAM are also used as feedback for making resource adjustments. This data provides input for the Command to use in making fact-based resourcing decisions (see Module 3 – Resourcing and Budgeting). Also, PBA results link to the MCRs as an additional data point for risk assessment.

Internal Operations Assessment (IOA)

DCMC uses an on-site IOA to validate self-assessments (such as the USA, MCRs, and testing of management controls) and to follow through on ICS results. The IOAs assess the overall health (efficiency and effectiveness) of the organization and also provide information for improvement efforts. The Assessment Center, reporting to DCMC Headquarters, conducts IOAs at all levels of the Command on a three-year cycle. IOAs focus on mission (*One Book*), management, and administrative processes, as well as the effectiveness of management controls.

Constructive comments relative to processes depicted on the storyboard are welcome throughout the IOA. The intent of the storyboard is to communicate the results of the assessment, and invite input from resident personnel such that adequate evaluation of each process and management category is assured.

At the CAO level, the IOA provides an independent assessment of how the CAO stands relative to *One Book* compliance and management system performance. IOA results are discussed with senior leaders on a daily basis, an exit briefing is conducted at the conclusion of the review, and fully documented draft observation records are left with the CAO Commander upon the departure of the IOA team. The DCMC Commander and executive staff are briefed, as soon as possible following the conclusion of the review, with the CAO and appropriate District Commander in attendance.

The final IOA report is issued approximately three weeks after the review. Upon receipt of the final report, the CAO has three weeks from receipt of the final IOA report to prepare a corrective action plan that addresses all minor, major, and serious concerns. The corrective action plan is submitted to both the District and DCMC Headquarters for concurrent review, and ultimately to the DCMC Commander for approval.

The IOA results and the CAO's corrective action plan are used to feed the CAO's Performance Plan and USA. Headquarters uses aggregate IOA results as a feedback mechanism for policy and procedure effectiveness and to support the DCMC ASA.

Other Assessments   Other assessment methodologies, used on an "as required" basis, include Contractor Assessments (CAs), Special Process Reviews (SPRs), and Internal Customer Support visits.

CONTINUOUS IMPROVEMENT EVENTS

By conducting your USA or utilizing any of the above mentioned assessment tools as a means to gather feedback, you have taken the first step toward improving your organization's performance. You should now have a preliminary sense of your organization's achievements relative to the general requirements of the improvement criteria or assessment results. Now, the next step is to take the information you have gathered and use it to derive longer-term benefits for your organization.

All major AFIs which must be considered in developing the strategies are collected and analyzed for three states (current, near-term, and long-term) including:

- USA Feedback,

- Customer Requirements,

- External Assessment Feedback,

- Strategic Issues,

- Supplier Requirements, and

- Employee Feedback.

Gap Analysis

This gathering of all AFIs into a comprehensive list marks the beginning of a gap analysis. A gap analysis addresses where the organization is today relative to both competitors and best-in-class organizations in key performance measures and where the organization will be in each of the three states (current, near-term, and long-term).

Vital Few

The gap analysis yields a prioritized list of short, intermediate, and long-term AFIs for key performance measures. Accompanying each AFI is the resource requirements and lead time needed to achieve that goal. Based on the vision, mission, values, and gaps, the organization establishes the major challenges to the business. Decide which gaps to close first, the "vital few." That is, what areas must be improved right away to make the most significant difference in the quality achievement of your organization?

Actions for Improvement

Once the "vital few" have been identified, the next step is to agree on possible actions your organization can take to achieve the improvements. Take each of the "vital few" opportunities and determine the key cause of the gap. Decide on the best ways to measure your success in closing the gap. The organization should "brainstorm" possible actions the organization might take to close the gap. Focus on actions that are within your control rather than actions some other organization must take. Once everyone has had a chance to suggest possible actions, determine the best possible actions. For those gaps that can be corrected on the spot, do so. Those gaps that require a longer lead time should be incorporated into your annual Performance Plan under the applicable performance goal and should be monitored by senior leadership at management reviews or by using some other tracking methodology. The Performance Plan goals are short-term targets (one year) that identify milestones, office of primary responsibility, target completion dates, and the funds required to resolve the AFI.

Assessment and Feedback Results

With each assessment conducted, such as IOAs, SPRs, the ICS, and management reviews, the associated report and feedback are analyzed to identify AFIs. This information is integrated into the Performance Plan as part of continuous improvement (for more details, refer to Module 2-Planning). The *One Book* (Chapter 6.4.1) contains more information on this process, as do the individual sections in this module. The status of improvement actions derived from gaps and AFIs is tracked through the management review process. It is through the use of periodic evaluation that each command can track and measure results, and redirect the task and associated resources. By the use of these reviews, the command has closed the "plan-do-check-act" cycle and has created an effective quality system for continuous improvement.

SOURCES OF INFORMATION

There are several sources of information available through the DCMC Home Page. The Home Page serves as the initial reference point for DCMC processes and provides links to the DCMC infrastructure, policy, program, and other essential acquisition information.

SUMMARY

DCMC's Assessment and Feedback processes are an integral part of the IMS. They incorporate risk assessment, process reviews (MCRs), management system reviews (USAs), the ICS, and other sources of information (management reviews, metrics, and external reviews) into the MCAP framework. The MCAP feeds assessment results into multiple improvement cycles, while providing a firm basis for the ASA.